

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1649 - SB 1762**

March 15, 2011

**SUMMARY OF BILL:** Transfers, from the Department of Transportation (TDOT) to the Department of Correction (DOC), the responsibility of mowing rights-of-way and litter collection on state highways. Requires TDOT to pay DOC for the use of prison labor. Authorizes the Commissioner of DOC, with the assistance of the Commissioner of TDOT, to promulgate rules and regulations.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$1,896,000/One-Time/DOC  
Exceeds \$1,390,100/Recurring/DOC**

**Decrease State Expenditures – Net Impact - \$5,000,000/TDOT**

**Other Fiscal Impact – There will be a recurring shift of an amount exceeding \$96,000 from the Department of Transportation to reimburse the Department of Correction for labor costs.**

**Assumptions:**

- According to the Department of Correction (DOC), the inmates who work outside are classified as minimum custody or trustee inmates. Currently, these inmates are assigned to other work details. The number of inmates appropriately classified is insufficient to perform these services statewide. The Department will be required to revise its procedures to authorize medium security inmates to work outside prison grounds.
- According to the DOC, at a minimum, 15 crews comprised of 10 inmates each will be necessary to complete the additional responsibilities.
- According to the DOC, an additional 15 correctional officers will be required to monitor the additional work crews and an additional 15 passenger vans equipped with radios to transport the work crews.
- The inmates will work 40 hours per week for 32 weeks each year and will be paid \$0.50 per hour. TDOT will reimburse DOC for the inmate labor. There will be a shift in state revenue of \$96,000 (10 inmates x 15 crews x 40 hours per week x 32 weeks x \$0.50 per hour) from TDOT to DOC.

- DOC will incur a one-time increase in state expenditures for each crew of \$126,400 which includes a passenger van (\$24,900), four mowers (\$100,000) and three weed eaters (\$1,500). The total one-time increase in state expenditures is \$1,896,000 (\$126,400 x 15 crews).
- DOC will incur recurring expenses of \$92,671.15 for each crew consisting of correctional officer salary (\$24,456), benefits (\$11,109.63), fuel for each van (\$4,286.04), fuel for mowers and weed eaters (\$16,000), depreciation of each van (\$4,575.48), lease of each van (\$744), replacement mower (\$25,000), supplies for each inmate (\$5000), and replacement weed eaters (\$1,500).
- Total recurring expenditures for 15 additional crews will be \$1,360,067.25 (\$92,671.15 x 15 crews).
- Currently, TDOT spends approximately \$10 million dollars per year for contract mowing including equipment and labor. It is assumed TDOT will continue 50 percent of the mowing as backup to the Department of Correction and mowing services for local governments resulting in a net decrease of these expenditures of \$5 million dollars.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/lsc